

SWITZER, HOPKINS & MANGE

Certified Public Accountants

DENNIS R. SWITZER, CPA
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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH SPECIFIC REQUIREMENTS APPLICABLE TO MAJOR
FEDERAL FINANCIAL ASSISTANCE PROGRAMS

The Honorable Wilbert Washington, Mayor
and Members of the Board of Aldermen
Town of Clayton, Louisiana

We have audited the general purpose financial statements of the Town of Clayton, Louisiana, as of for the year ended June 30, 1996, and have issued our report thereon dated December 24, 1996.

We have also audited Town of Clayton Louisiana's compliance with the requirements governing types of services allowed/unallowed; special reporting; special tests/provisions that are applicable to each of its major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance for the year ended June 30, 1996. The management of Town of Clayton, Louisiana is responsible for the Town's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit of compliance with those requirements in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget Circular A-128, Audits of State and Local Governments. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about Town of Clayton, Louisiana's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures did not disclose any immaterial instances of noncompliance with the requirements referred to above.

In our opinion, Town of Clayton, Louisiana complied, in all material respects, with the requirements governing types of services allowed or unallowed, that are applicable to each of its major federal financial assistance programs for the year ended June 30, 1996.

This report is intended for the information of the audit committee, management, and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Ferriday, Louisiana
December 24, 1996

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH THE GENERAL REQUIREMENTS APPLICABLE TO
FEDERAL FINANCIAL ASSISTANCE PROGRAMS

The Honorable Wilbert Washington, Mayor
and Members of the Board of Aldermen
Town of Clayton, Louisiana

We have audited the general purpose financial statements of the Town of Clayton, Louisiana as of and for the year ended June 30, 1996 and have issued our report thereon dated December 14, 1996.

We have applied procedures to test the Town of Clayton's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the Schedule of Federal Financial Assistance, for the year ended June 30, 1996.

Davis Bacon Act	Civil Rights
Political Activity	Cash Management
Allowable Costs	
Administrative Requirements	

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's Compliance Supplement for Single Audits of State and Local Governments. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Town of Clayton's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the Town of Clayton had not complied, in all material respects, with those requirements. Also, the results of our procedures did not disclose any immaterial instances of noncompliance with those requirements.

This report is intended solely for the use of management and the Legislative Auditor and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which, upon acceptance by the Town of Clayton is a matter of public record.

Ferriday, Louisiana
December 24, 1996

Switzer, Hopkins & Mange

The Honorable Wilbert Washington, Mayor
and Members of the Board of Aldermen
Town of Clayton, Louisiana
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low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operations that we consider to be material weaknesses as defined above.

This report is intended for the information of the management and Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

Ferriday, Louisiana
December 24, 1996

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The Honorable Wilbert Washington, Mayor
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compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

General Requirements

Political Activity
Davis-Bacon Act
Civil Rights
Cash Management
Allowable costs/cost principles
Administrative requirements

Specific Requirements

Types of services allowed/not allowed
Environmental review
Special Reporting
Special tests/provisions

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operating, and we assessed control risk.

During the year ended June 30, 1996, the Town of Clayton, Louisiana had no major federal financial assistance programs and expended 100% of its total federal financial assistance under the following major federal financial assistance programs:

HUD LCDBG contract #101-5024
HUD LCDBG contract #101-6039

We performed tests of controls as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we have considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements that are applicable to the aforementioned major programs, which are identified in the accompanying schedule of Federal Financial Assistance. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure policies and procedures used in administering federal financial assistance would not necessarily disclose matters in the internal control structure that might constitute material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively

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INDEPENDENT AUDITORS' REPORT ON THE INTERNAL CONTROL STRUCTURE USED IN ADMINISTERING FEDERAL FINANCIAL ASSISTANCE PROGRAMS

The Honorable Wilbert Washington, Mayor
and Members of the Board of Aldermen
Town of Clayton, Louisiana

We have audited the general purpose financial statements of the Town of Clayton, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated December 14, 1996. We have also audited the compliance of the Town of Clayton Louisiana, with requirements applicable to major federal financial assistance programs and have issued our report thereon dated December 24, 1996.

We conducted our audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget Circular A-128, Audits of State and Local Governments. Those standards and OMB Circular A-128 required that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement and about whether the Town complied with laws and regulations, noncompliance with which would be material to a major federal financial assistance program.

In planning and performing our audit for the year ended June 30, 1996, we considered the internal control structure of the Town of Clayton, Louisiana, in order to determine our auditing procedures for the purpose of expressing our opinions on the general purpose financial statements of the Town and its compliance with requirements applicable to major programs and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated December 24, 1996.

The management of the Town of Clayton, Louisiana, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in

TOWN OF CLAYTON, LOUISIANA
 SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
 FOR THE YEAR ENDED JUNE 30, 1996

Federal Grantor/Pass Through Grantor Program Title	Federal CFDA Number	Pass Through Grantors Number	Program Amount	Beginning Balance July 1, 1995	Receipts	Expenditures	Ending Balance June 30, 1996
HUD							
LCDBG program	14.219	101-5024	\$ 426,741	-0-	\$ 355,885	\$ 355,885	-0-
LCDBG program	14.219	101-6039	<u>220,330</u>	-0-	<u>\$ 211,951</u>	<u>\$ 211,951</u>	-0-
			<u>\$ 647,071</u>		<u>\$ 567,836</u>	<u>\$ 567,836</u>	

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INDEPENDENT AUDITORS' REPORT ON SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

The Honorable Wilbert Washington, Mayor
and Members of the Board of Aldermen
Town of Clayton, Louisiana

We have audited the general purpose financial statements of the Town of Clayton, Louisiana, as of and for the year ended June 30, 1996 and have issued our report thereon dated December 24, 1996. These general purpose financial statements are the responsibility of the Town of Clayton, Louisiana, management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purposed financial statements are free of material misstatement. An audit included examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements of the Town of Clayton, Louisiana, taken as a whole. The accompanying Schedule Of Federal Financial Assistance is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. The information in this schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Ferriday, Louisiana
December 24, 1996

Switzer, Hopkins & Mange

SECTION V - SINGLE AUDIT REPORTS

The Honorable Wilbert Washington, Mayor
and Members of the Board of Aldermen
Town of Clayton, Louisiana
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Except as described previously, the results of our tests of compliance indicate that, with respect to the items tested, the Town of Clayton, Louisiana complied, in all material respect to the items not tested, nothing came to our attention that caused us to believe that the Town of Clayton, Louisiana had not complied, in all material respects, with those provisions.

This report is intended for the information of the management and the Legislative Auditor of the State of Louisiana. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Ferriday, Louisiana
December 24, 1996

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH LAWS AND
REGULATIONS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Wilbert Washington, Mayor
and Members of the Board of Aldermen
Clayton, Louisiana

We have audited the general purpose financial statements of the Town of Clayton, Louisiana for the year ended June 30, 1996, and have issued our report thereon dated December 24, 1996.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128, Audit of State and Local Governments. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts and grants applicable to the Town of Clayton, Louisiana, is the responsibility of the Town of Clayton, Louisiana's management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the Town's compliance with certain provisions of laws, regulations, contracts and grants. However, our objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

Material instances of noncompliance are failures to follow requirements or violations of prohibitions contained in statutes, regulations, contracts, or grants that cause us to conclude that the aggregation of the misstatements resulting from those failures or violations is material to the financial statements. The results of the tests of noncompliance, the effects of which have been corrected in the Town of Clayton, Louisiana's financial statements.

Expenditures In Excess of Budget

The Town of Clayton, Louisiana spent \$95,306 during the year ended June 30, 1996 when \$81,970 was budgeted for the period. Any expenditures in excess of 5% of the amount budgeted is a violation of State Law.

We considered these instances of noncompliance in forming our opinion on whether the Town of Clayton, Louisiana's general purpose financial statements as of June 30, 1996, are presented fairly, in all material respects, in conformity with generally accepted accounting principles. This report does not affect our report dated December 24, 1996, on those financial statements.

SECTION IV - COMPLIANCE

The Honorable Wilbert Washington, Mayor
and Members of the Board of Aldermen
Town of Clayton, Louisiana
Page Two

American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgement, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

Segregation of Duties

The size of the Town's operation and its limited staff preclude an adequate segregation of duties and other features of an adequate system of internal control, although to employ such controls may not be cost beneficial.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe none of the reportable conditions described above is a material weakness.

This report is intended for the information of management and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

Ferriday, Louisiana
December 24, 1996

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Wilbert Washington, Mayor
and Members of the Board of Aldermen
Town of Clayton, Louisiana

We have audited the general purpose financial statements of the Town of Clayton, Louisiana as of and for the year ended June 30, 1996, and have issued our report thereon dated December 24, 1996.

We have conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of the Town of Clayton, Louisiana is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of the Town of Clayton, Louisiana, for the year ended June 30, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted a certain matter involving the internal control structure and its operation that we consider to be a reportable condition under standards established by the

SECTION III - INTERNAL CONTROL

TOWN OF CLAYTON, LOUISIANA
SCHEDULE OF COMPENSATION ALDERMEN
FOR THE YEAR ENDED JUNE 30, 1996

Mr. William Hall	\$ 1,200
Mr. Steve Gray	1,200
Mr. Willie Lee Evans	1,200
Mrs. Linda Walker	1,200
Mrs. Martha Lushute	1,200
Total	<u>\$ 6,000</u>

TOWN OF CLAYTON, LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULES
FOR THE YEAR ENDED JUNE 30, 1996

COMPENSATION PAID ALDERMEN

The schedule of compensation paid to alderpersons is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the alderpersons is included in the Legislative expenditures of the General Fund. In accordance with Louisiana Revised Statute 33:405 (G), the alderpersons have passed an ordinance that sets their compensation at \$100.00 per month, but is paid only when funds are available. Two of the five alderpersons have elected to receive no compensation.

TOWN OF CLAYTON, LOUISIANA

STATEMENT OF GENERAL LONG-TERM DEBT

JUNE 30, 1996

With Comparative Totals for June 30, 1995

	<u>Sewer District #1</u>	<u>Sewer Public Improvements</u>	<u>Totals 1996</u>	<u>1995</u>
<u>AMOUNT AVAILABLE AND TO PROVIDE FOR THE RETIREMENT OF GENERAL LONG-TERM DEBT</u>				
Amount available in debt service funds for debt retirement	\$ <u>14,000</u>	\$ <u>14,000</u>	\$ <u>28,000</u>	\$ <u>30,000</u>
<u>GENERAL LONG-TERM DEBT PAYABLE</u>				
Bonds payable	\$ <u>14,000</u>	\$ <u>14,000</u>	\$ <u>28,000</u>	\$ <u>30,000</u>

The accompanying notes are an integral part of this statement.

GENERAL LONG-TERM DEBT
ACCOUNT GROUP

To account for unmatured principal amounts on general long-term debt expected to be financed from governmental type funds. Payment of maturing obligations, including interest, are accounted for in the debt service funds.

TOWN OF CLAYTON, LOUISIANA
CAPITAL PROJECTS FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
 YEAR ENDED JUNE 30, 1996

	<u>101-6039</u>		<u>Variance- Favorable (Unfavorable)</u>
	<u>LCDBG Demonstrated Needs Program</u>		
	<u>Budget</u>	<u>Actual</u>	
Revenues:			
Grant income	\$ <u>211,951</u>	\$ <u>211,951</u>	\$ <u>-</u>
Expenditures:			
Construction costs	<u>212,012</u>	<u>212,012</u>	<u>-</u>
Excess of revenues over (under) expenditures	(61)	(61)	-
Other financing sources:			
From general fund	100	100	
Fund balance, beginning	-	-	-
Fund balance, ending	\$ <u><u>39</u></u>	\$ <u><u>39</u></u>	\$ <u><u>-</u></u>

The accompanying notes are an integral part of this statement.

TOWN OF CLAYTON, LOUISIANA
CAPITAL PROJECTS FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 1996

	<u>101-6039</u> <u>LCDBG Demonstrated Needs Program</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
Revenues:			
Grant income	\$ <u>211,951</u>	\$ <u>211,951</u>	\$ <u>-</u>
Expenditures:			
Construction costs	<u>212,012</u>	<u>212,012</u>	<u>-</u>
Excess of revenues over (under) expenditures	(61)	(61)	-
Other financing sources:			
From general fund	100	100	
Fund balance, beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, ending	<u>\$ 39</u>	<u>\$ 39</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

TOWN OF CLAYTON, LOUISIANA
CAPITAL PROJECTS FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
 YEAR ENDED JUNE 30, 1996

	101-5024 LCDBG Program		Variance- Favorable (Unfavorable)
	Budget	Actual	
Revenues:			
Grant income	\$ 355,885	\$ 355,885	\$ -
Expenditures:			
Construction costs	355,909	355,909	-
Excess of revenues over (under) expenditures	(24)	(24)	-
Fund balance, beginning	24	24	-
Fund balance, ending	\$ -	\$ -	\$ -

The accompanying notes are an integral part of this statement.

CAPITAL PROJECTS FUND

TOWN OF CLAYTON, LOUISIANA
DEBT SERVICE FUND

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 1996

With Comparative Totals for June 30, 1995

	<u>Sewer District #1</u>	<u>Sewer Public Improvements</u>	<u>Totals 1996</u>	<u>1995</u>
Revenue:				
Ad valorem taxes	\$ 2,892	\$ 2,893	\$ 5,785	\$ 5,844
Interest income	429	429	858	830
Total revenue	<u>3,321</u>	<u>3,322</u>	<u>6,643</u>	<u>6,674</u>
Expenditures:				
Bonds paid	1,000	1,000	2,000	2,000
Interest paid	750	750	1,500	1,600
Total expenditures	<u>1,750</u>	<u>1,750</u>	<u>3,500</u>	<u>3,600</u>
Excess (deficiency) of revenues over expenditures	1,571	1,572	3,143	3,074
Other financing sources (uses)				
Interfund transfers in (out)	<u>(1,750)</u>	<u>1,750</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures	(179)	3,322	3,143	3,074
Fund balance, beginning	<u>20,028</u>	<u>20,156</u>	<u>40,184</u>	<u>37,110</u>
Fund balance, ending	<u>\$ 19,849</u>	<u>\$ 23,478</u>	<u>\$ 43,327</u>	<u>\$ 40,184</u>

The accompanying notes are an integral part of this statement.

TOWN OF CLAYTON, LOUISIANA
DEBT SERVICE FUNDS

COMBINING BALANCE SHEET
 JUNE 30, 1996

With Comparative Totals for June 30, 1995

	<u>Sewer District #1</u>	<u>Sewer Public Improvement</u>	<u>Totals 1996</u>	<u>Totals 1995</u>
<u>ASSETS</u>				
Cash	\$ <u>19,849</u>	\$ <u>23,478</u>	\$ <u>43,327</u>	\$ <u>40,184</u>
<u>FUND BALANCES</u>				
Reserved for debt service	14,000	14,000	28,000	30,000
Available for other purposes	<u>5,849</u>	<u>9,478</u>	<u>15,327</u>	<u>10,184</u>
Total fund balances	\$ <u>19,849</u>	\$ <u>23,478</u>	\$ <u>43,327</u>	\$ <u>40,184</u>

The accompanying notes are an integral part of this statement.

DEBT SERVICE FUNDS

Sewer District #1 - To accumulate monies for payment of 1970 \$30,000 Public
Improvement Sewer Bonds.

Town Tax Bonds - To accumulate monies for payment of 1970 \$30,000
Public Improvement Bonds
(Sewer Public Improvement).

TOWN OF CLAYTON, LOUISIANA
GENERAL FUND

STATEMENT OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)
YEAR ENDED JUNE 30, 1996
With Comparative Actual Amounts for Year Ended June 30, 1995

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)	1995 <u>Actual</u>
General government:				
Salaries	\$ -	\$ 740	\$ (740)	\$ 831
Mayor's salary	2,400	2,400	-	2,400
Aldermen fees	6,000	6,000	-	6,000
Payroll taxes	1,707	3,246	(1,539)	1,728
Publication expense	200	258	(58)	715
Other expenses	1,060	2,797	(1,737)	2,536
Insurance	4,037	1,840	2,197	2,037
Gym expense	-	-	-	150
Office expense	1,200	954	246	1,514
Total	<u>16,604</u>	<u>18,235</u>	<u>(1,631)</u>	<u>17,911</u>
Police department:				
Salaries	10,800	12,340	(1,540)	10,800
Automobile expense	3,800	4,465	(665)	5,025
Supplies, uniforms, etc.	500	388	112	545
Total	<u>15,100</u>	<u>17,193</u>	<u>(2,093)</u>	<u>16,370</u>
Street department:				
Street lights	10,000	2,865	7,135	5,942
Repairs	-	8,110	(8,110)	-
Other expenses	-	139	(139)	10,218
Total	<u>10,000</u>	<u>11,114</u>	<u>(1,114)</u>	<u>16,160</u>
Garbage collection:				
Salaries	19,448	23,401	(3,953)	23,410
Truck expense	4,000	6,004	(2,004)	6,539
Maintenance	4,500	3,686	814	4,141
Miscellaneous	1,488	4,877	(3,389)	2,493
Insurance	6,254	10,796	(4,542)	10,427
Total	<u>35,690</u>	<u>48,764</u>	<u>(13,074)</u>	<u>47,010</u>
Total	<u>\$ 77,394</u>	<u>\$ 95,306</u>	<u>\$ (17,912)</u>	<u>\$ 97,451</u>

The accompanying notes are an integral part of this statement.

TOWN OF CLAYTON, LOUISIANA
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE-BUDGET (GAAP BASIS) AND ACTUAL

YEAR ENDED JUNE 30, 1996

With Comparative Actual Amounts for the Year Ended June 30, 1995

	1996		Variance- Favorable (Unfavorable)	1995 Actual
	Budget	Actual		
Revenues:				
Taxes	\$ 57,600	\$ 61,108	\$ 3,508	\$ 63,094
Licenses and permits	4,100	3,830	(270)	4,098
Intergovernmental	1,600	1,600	-	1,600
Charges for services	180	180	-	210
Fines	10,000	12,687	2,687	9,455
Miscellaneous	425	21,640	21,215	17,621
Total revenues	<u>73,905</u>	<u>101,045</u>	<u>27,140</u>	<u>96,078</u>
Expenditures:				
General government	16,604	18,235	(1,631)	17,911
Police department	15,100	17,193	(2,093)	16,370
Street department	10,000	11,114	(1,114)	16,160
Garbage collection	35,690	48,764	(13,074)	47,010
Capital outlay	4,576	-	4,576	13,310
Total expenditures	<u>81,970</u>	<u>95,306</u>	<u>(13,336)</u>	<u>110,761</u>
Excess of revenues over (under) expenditures	(8,065)	5,739	13,804	(14,683)
Other financing sources (uses)				
Operating transfers (out)	-	(100)	(100)	-
Operating transfers in	10,650	5,150	(5,500)	11,100
	<u>10,650</u>	<u>5,050</u>	<u>(5,600)</u>	<u>11,100</u>
Excess (deficiency) of revenues over expendi- tures and other uses	2,585	10,789	8,204	(3,583)
Fund balance, beginning	<u>(2,549)</u>	<u>(2,549)</u>	-	<u>1,034</u>
Fund balance, ending	<u>\$ 36</u>	<u>\$ 8,240</u>	<u>\$ 8,204</u>	<u>\$ (2,549)</u>

The accompanying notes are an integral part of this statement.

TOWN OF CLAYTON, LOUISIANA
GENERAL FUND

COMPARATIVE BALANCE SHEET
JUNE 30, 1996 AND 1995

	<u>1996</u>	<u>1995</u>
<u>ASSETS</u>		
Cash	\$ 15,621	\$ 8,263
Receivables:		
Accounts	<u>3,379</u>	<u>3,666</u>
Total assets	<u>19,000</u>	<u>11,929</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	1,007	2,086
Other accrued expenses	1,994	1,374
Note payable	<u>7,759</u>	<u>11,018</u>
Total current liabilities	<u>10,760</u>	<u>14,478</u>
Fund balance	<u>8,240</u>	<u>(2,549)</u>
Total liabilities and fund balance	<u>\$ 19,000</u>	<u>\$ 11,929</u>

The accompanying notes are an integral part of this statement.

GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

SECTION II - SUPPLEMENTAL INFORMATION SCHEDULES

TOWN OF CLAYTON, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 1996

NOTE I - CASH AND CASH EQUIVALENTS - CONTINUED

fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances) at June 30, 1996 of \$129,253 are secured as follows:

Federal deposit insurance	\$ <u>129,253</u>
---------------------------	-------------------

NOTE J - OTHER ENTERPRISE FUND DISCLOSURES

Enterprise fund sales were as follows:

Gas sales	\$ 124,800
Water sales	52,181
Sewerage fees	<u>27,791</u>
Total	<u>\$ 204,772</u>

Enterprise fund working capital is as follows at June 30, 1996:

Current assets	\$ 98,971
Current liabilities	<u>12,910</u>
Net working capital	<u>\$ 86,061</u>

NOTE K - EXPENDITURES - ACTUAL AND BUDGET

The following funds had actual expenditures over budgeted expenditures for the year ended June 30, 1996:

Fund	Budgeted Expenditures	Actual Expenditures	Excess of Actual Over Budgeted Expenditures
General Fund	\$ <u>81,970</u>	\$ <u>95,306</u>	<u>\$ 13,336</u>

TOWN OF CLAYTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

NOTE F - RETIREMENT COMMITMENTS

The Town of Clayton employees are all members of the social security system and are members of no other retirement plan. The expense of the social security is reflected in payroll taxes in the various statements of income.

NOTE G - RESTRICTED ASSETS PROPRIETARY FUND TYPE

Certain assets were restricted for debt service and customer deposits. These assets consisted of the following:

Amortization and Redemption fund	\$ 21,257
Customer deposits	17,660
Bond reserve fund	3,700
Bond depreciation and contingency fund	8,214
	<u>\$ 50,831</u>

NOTE H - PROPRIETARY FUND BOND INDENTURE RESTRICTIONS

The Town's proprietary fund bonds are governed by bond indenture, the terms of which are summarized as follows:

- (1) The Town shall maintain a reserve fund with a minimum balance of \$3,700.
- (2) The Town shall maintain a depreciation and contingency fund into which monthly deposits of \$30 will be made. Annual deposits of \$360 will be required for each of the next five years.
- (3) The Town shall maintain a amortization fund of sufficient balances to pay bonds and interest as they mature.

As of June 30, 1996 the Town was in compliance with each of these restrictions.

NOTE I - CASH AND CASH EQUIVALENTS

Under state law, the city may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana.

At June 30, 1996, the Town had cash and cash equivalents according to the book balances totaling \$124,743 as follows:

Demand deposits	\$ 43,630
Time deposits	81,113
	<u>\$ 124,743</u>

Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging

TOWN OF CLAYTON, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 1996

NOTE D - CHANGES IN GENERAL FIXED ASSETS

The following is a summary of changes in the general fixed assets account group:

	Balance 6-30-95	<u>Additions</u>	<u>Deletions</u>	Balance 6-30-96
Land	\$ 8,425	-	-	\$ 8,425
Equipment	147,624	-	-	147,624
Total	<u>\$ 156,049</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 156,049</u>

NOTE E - CHANGES IN LONG-TERM DEBT

The following is a summary of bond transactions of the Town of Clayton for the year ended June 30, 1996:

	<u>General Obligation Bonds</u>	<u>Revenue Bonds</u>	<u>Total</u>
Bonds payable at June 30, 1995	\$ 30,000	\$ 78,000	\$ 108,000
Bonds retired	2,000	4,000	6,000
Bonds payable at June 30, 1996	<u>\$ 28,000</u>	<u>\$ 74,000</u>	<u>\$ 102,000</u>

Bonds payable at June 30, 1996 are comprised of the following issues:

General obligation bonds:

\$30,000 1970 serial bonds due in annual installments of \$1,000 through January 1, 2010; interest at 5% \$ 14,000

\$30,000 1970 sewer district serial bonds due in annual installments of \$1,000 through January 1, 2010; interest 5% 14,000
\$ 28,000

Revenue bonds:

\$140,000 1970 sewer serial bonds due in annual installments of \$3,000 to \$7,000 through January 1, 2010; interest at 5% \$ 74,000

The annual requirements to amortize all debt outstanding as of June 30, 1996 including interest payments are as follows:

Year Ended June 30	General Obligation Bonds	Revenue Bonds	Interest	Total
1997	\$ 2,000	\$ 4,000	\$ 5,100	\$ 11,100
1998	2,000	4,000	4,800	10,800
1999	2,000	4,000	4,500	10,500
2000	2,000	5,000	4,200	11,200
2001	2,000	5,000	3,850	10,850
Thereafter	18,000	52,000	15,400	85,400
TOTAL	<u>\$ 28,000</u>	<u>\$ 74,000</u>	<u>\$ 37,850</u>	<u>\$ 139,850</u>

TOWN OF CLAYTON, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 1996

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

9. Comparative Data

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Town's financial position and operations. However, comparative (i.e., presentation of prior year totals by fund type) data have not been represented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

10. Total Columns on Combined Statements - Overview

Total columns on the combined statements - overview are captioned Memorandum only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

11. Encumbrances

The Town of Clayton does not use encumbrance accounting.

12. Compensated Absences

The Town's policy for vacation and sick leave allows 10 days paid for vacation and 10 days paid for sick leave. Any unused days at the end of the calendar year will be lost. At June 30, 1996, all full time employees had all sick days remaining unused and all vacation days had been used. The liability for unused days is recorded in the General and Enterprise Funds.

NOTE B - PROPERTY TAXES

Property taxes are levied in December and payable by June 15, of the following year. A list of property taxes due the Town is prepared by the Concordia Parish Assessor, but the Town is responsible for billings and collections. The Town's millage is 9.68 mills of which 3.78 mills is dedicated to the general fund and 5.90 mills is dedicated to the sewerage bond indebtedness fund.

NOTE C - PROPRIETARY FUND PROPERTY, PLANT AND EQUIPMENT

A summary of proprietary fund type property, plant and equipment at June 30, 1996, follows:

Water gas system	\$ 339,947
Sewer system	878,548
Buildings	10,279
Trucks	8,879
Equipment	61,699
Total	<u>1,299,352</u>
Less accumulated depreciation	<u>(501,826)</u>
Net	<u>\$ 797,526</u>

TOWN OF CLAYTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

- a. The Town Clerk prepares a proposed budget and submits same to the Mayor and Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year.
- b. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
- c. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
- d. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through the passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
- e. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated, require the approval of the Board of Aldermen.
- f. All budgetary appropriations lapse at the end of each fiscal year.
- g. Budgets for the General, Capital Projects and Debt Service funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended from time to time by the Board of Alderpersons. Such amendments were not material in relation to the original appropriations.

6. Inventories

Inventories of materials and supplies are considered to be expenditures at the time of purchase. Amounts on hand at the financial statement date are therefore, not included on the balance sheet.

7. Allowance for Uncollectible Accounts

Allowance for uncollectible accounts receivable in the enterprise fund was \$2,654 at June 30, 1996.

8. Reserves of Fund Equity

The Town records reserves to indicate that a portion of the fund equity is legally segregated for a specific future use. The following details the description and amount of all reserves used by the Town.

	Balance at <u>June 30, 1996</u>
a. Debt Service Fund Reserved for debt service	\$ <u>28,000</u>
b. Enterprise Fund Reserved for debt service	\$ <u>24,956</u>

TOWN OF CLAYTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Proprietary Fund Types

Enterprise fund

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises-where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The enterprise fund includes water, gas and sewerage operations.

General Fixed Assets and General
Long-Term Debt Account Groups:

General Fixed Assets

The General Fixed Assets account Group is used to account for fixed assets used in governmental fund type operations for control purposes. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date of donation. No depreciation is recorded on general fixed assets.

General Long-Term Debt Account Group

The General Long-Term Debt Account Group is used to account for long-term liabilities to be financed from government funds.

3. Property, Plant and Equipment and Long-Term Liabilities

The accounting and reporting treatment applied to the property, plant and equipment and long-term liabilities associated with a fund are determined by its measurement focus. All governmental fund type operations are accounted for on a spending "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases and decreases in net current assets. Accordingly, they are said to present a summary of sources and used of available spendable resources during a period.

Property, plant and equipment used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, and are recorded as expenditures in the governmental fund types when purchased. The Town has elected to not capitalize public domain ("infrastructure") fixed assets consisting of certain improvements other than buildings, including roads, bridges, sidewalks and drainage improvement. No depreciation has been provided on general fixed assets.

TOWN OF CLAYTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Clayton, Louisiana was incorporated under the provisions for the Lawrason Act. The Town operates under a Mayor-Board of Aldermen form of government.

The accounting and reporting policies of the Town of Clayton, Louisiana conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audits of State and Local Governmental Units. The following is a summary of certain significant accounting policies.

1. Financial Reporting Entity

This report includes all funds and account groups which are controlled by or dependent on the Town executive and legislative branches (the Mayor and Board of Aldermen). Control by or dependence on the Town was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

2. Fund Accounting

The accounts of the Town of Clayton are organized on the basis of funds and account groups each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into four generic fund types and two broad fund categories as follows:

GOVERNMENTAL FUND TYPES -

General Fund

The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

Debt service funds

Debt service funds are used to account for the accumulation of resources for, and payment of, general long-term debt principal, interest and related costs.

Capital projects fund

Capital projects funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

TOWN OF CLAYTON, LOUISIANA

COMPARATIVE STATEMENT OF CASH FLOWS
YEARS ENDED JUNE 30, 1996 AND 1995

	<u>1996</u>	(Memorandum Only) <u>1995</u>
Cash flows from operating activities:		
Cash received from customers	\$ 188,765	\$ 184,669
Cash payments to suppliers for goods and services	(142,805)	(146,625)
Cash payments to employees for services	(36,032)	(37,854)
Net cash provided (used) by operating activities	<u>9,928</u>	<u>190</u>
Cash flows from non-capital financing activities:		
Other income	1,690	708
Operating transfers to other funds	(5,150)	(11,100)
Increase (Decrease) in consumer deposits	1,140	(405)
Net cash provided by non-capital financing activities	<u>(2,320)</u>	<u>(10,797)</u>
Cash flows from capital and related activities:		
Interest paid on notes	(3,547)	(2,725)
Principal paid on notes	(4,000)	(4,000)
	<u>(7,547)</u>	<u>(6,725)</u>
Cash flows from investing activities:		
Investment income	<u>1,615</u>	<u>1,260</u>
Net increase (decrease) in cash and cash equivalents	1,676	(16,072)
Cash and cash equivalents at July 1, 1995	<u>64,080</u>	<u>80,152</u>
Cash and cash equivalents at June 30, 1996	<u>\$ 65,756</u>	<u>\$ 64,080</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (20,187)	\$ (47,935)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	43,786	43,786
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(16,007)	3,189
Increase (decrease) in accounts payable	<u>2,336</u>	<u>1,150</u>
Net cash provided (used) by operating activities	<u>\$ 9,928</u>	<u>\$ 190</u>

The accompanying notes are an integral part of this statement.

TOWN OF CLAYTON, LOUISIANA

COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND EQUITY-ENTERPRISE FUND
 YEARS ENDED JUNE 30, 1996 AND 1995

	<u>1996</u>	(Memorandum Only) <u>1995</u>
Operating revenues:		
Charges for services (Note J)	\$ <u>204,772</u>	\$ <u>181,480</u>
Operating expenses:		
Gas purchases	61,115	47,120
Salaries	36,032	37,854
Material and supplies	25,776	26,242
Depreciation	43,786	43,786
Repairs to system	2,334	19,311
Miscellaneous	13,984	14,045
Truck and tractor expense	3,539	2,541
Utilities and telephone	14,719	14,744
Office supplies	2,851	3,155
Payroll taxes	3,124	2,546
Insurance	14,499	13,871
Legal and accounting	3,200	-
Total operating expenses	<u>224,959</u>	<u>229,415</u>
Operating income (loss)	(20,187)	(47,935)
Nonoperating revenues (expenses):		
Interest income	1,698	1,326
Other income	1,690	610
Interest expense	<u>(3,790)</u>	<u>(4,002)</u>
Total nonoperating revenues (expenses)	<u>(402)</u>	<u>(2,066)</u>
Income (loss) before operating transfers	(20,589)	(50,001)
Operating transfers to general fund	<u>(5,150)</u>	<u>(11,100)</u>
Net income (loss)	(25,739)	(61,101)
Contributed capital	-	549,145
Fund equity, beginning	<u>817,666</u>	<u>329,622</u>
Fund equity, ending	<u>\$ 791,927</u>	<u>\$ 817,666</u>

The accompanying notes are an integral part of this statement.

TOWN OF CLAYTON, LOUISIANA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES-BUDGET AND ACTUAL
 GENERAL, DEBT SERVICE FUNDS AND CAPITAL PROJECTS FUNDS
 YEAR ENDED JUNE 30, 1996

	General Fund		Debt Service Fund Types		Capital Projects Fund	
	Budget	Actual	Budget	Actual	Budget	Actual
Revenues:						
Taxes	\$ 57,600	\$ 61,108	\$ 5,785	\$ 5,785	\$ -	\$ -
Licenses and permits	4,100	3,830	-	-	-	-
Intergovernmental	1,600	1,600	-	-	-	-
Charges for services	180	180	-	-	-	-
Fines	10,000	12,687	-	-	-	-
Miscellaneous	425	21,640	858	858	-	-
Federal grants	-	-	-	-	567,836	567,836
Total revenues	<u>73,905</u>	<u>101,045</u>	<u>6,643</u>	<u>6,643</u>	<u>567,836</u>	<u>567,836</u>
						Variance- Favorable (Unfavorable)
Expenditures:						
Current-						
General government	16,604	18,235	-	-	-	-
Public safety-						
Police	15,100	17,193	-	-	-	-
Streets	10,000	11,114	-	-	-	-
Garbage collection	35,690	48,764	-	-	-	-
Capital outlay	4,576	-	-	-	567,921	567,921
Debt service-						
Principal retirement	-	-	2,000	2,000	-	-
Interest and fiscal charges	-	-	1,500	1,500	-	-
Total expenditures	<u>81,970</u>	<u>95,306</u>	<u>3,500</u>	<u>3,500</u>	<u>567,921</u>	<u>567,921</u>
Excess of revenues over (under) expenditures	(8,065)	5,739	3,143	3,143	(85)	(85)
Other financing sources (uses):						
Operating transfers (out)	-	(100)	-	-	-	-
Operating transfers in	10,650	5,150	-	-	100	100
	<u>10,650</u>	<u>5,050</u>	<u>-</u>	<u>-</u>	<u>100</u>	<u>100</u>
Excess of revenues and other sources over (under) expenditures and other uses	2,585	10,789	3,143	3,143	15	15
Fund balances, beginning	(2,549)	(2,549)	40,184	40,184	24	24
Expenditures capitalized	-	-	-	-	212,012	212,012
Fund balances, ending	<u>36</u>	<u>8,240</u>	<u>\$ 43,327</u>	<u>\$ 43,327</u>	<u>\$ 212,051</u>	<u>\$ 212,051</u>

The accompanying notes are an integral part of this statement.

TOWN OF CLAYTON, LOUISIANA

COMBINED STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES-ALL GOVERNMENTAL FUND TYPES
YEAR ENDED JUNE 30, 1996

	General	Debt Service	Capital Projects	1996	Totals (Memorandum Only) 1995
Revenues:					
Taxes (Note B)	\$ 61,108	\$ 5,785	\$ -	\$ 66,893	\$ 68,938
Licenses and permits	3,830	-	-	3,830	4,098
Intergovernmental	1,600	-	-	1,600	1,600
Charges for services	180	-	-	180	210
Fines and forfeits	12,687	-	-	12,687	9,455
Miscellaneous	21,640	858	-	22,498	18,551
Federal grants	-	-	567,836	567,836	45,651
Total revenues	<u>101,045</u>	<u>6,643</u>	<u>567,836</u>	<u>675,524</u>	<u>148,503</u>
Expenditures:					
General government	18,235	-	-	18,235	17,911
Police department	17,193	-	-	17,193	16,370
Street department	11,114	-	-	11,114	16,160
Garbage collection	48,764	-	-	48,764	47,010
Capital outlay	-	-	567,921	567,921	59,037
Debt service:					
Principal retirement	-	2,000	-	2,000	2,000
Interest and fiscal charge	-	1,500	-	1,500	1,600
Total expenditures	<u>95,306</u>	<u>3,500</u>	<u>567,921</u>	<u>666,727</u>	<u>160,088</u>
Excess (deficiency) of revenues over expenditures	5,739	3,143	(85)	8,797	(11,585)
Other financing sources (uses)					
Operating transfers (out)	(100)	-	-	(100)	-
Operating transfers in	5,150	-	100	5,250	11,100
	<u>5,050</u>	<u>-</u>	<u>100</u>	<u>5,150</u>	<u>-</u>
(Deficiency) of revenues and other financing sources over expenditures	10,789	3,143	15	13,947	(485)
Fund balances, beginning	(2,549)	40,184	24	37,659	38,144
Expenditures capitalized	-	-	212,012	212,012	-
Fund balances, ending	<u>\$ 8,240</u>	<u>\$ 43,327</u>	<u>\$ 212,051</u>	<u>\$ 263,618</u>	<u>\$ 37,659</u>

The accompanying notes are an integral part of this statement.

TOWN OF CLAYTON, LOUISIANA

COMBINED BALANCE SHEET-ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1996

	Governmental Fund Types		Proprietary Fund Type	Account Groups		Totals	
	General	Debt Service		Capital Projects	General Fixed Assets	Long-Term Debt	(Memorandum Only) 1996
ASSETS							
Cash	\$ 15,621	\$ 43,327	\$ 39	\$ -	\$ -	\$ 73,912	\$ 67,373
Receivables:							
Accounts (net of uncollectibles)	3,379	-	-	-	-	36,150	20,430
Accrued interest	-	-	-	-	-	444	361
Restricted assets (Note G):							
Cash	-	-	-	-	-	50,831	45,178
Construction in progress	-	-	212,012	-	-	212,012	-
Property, plant and equipment, net of accumulated depreciation (Note C & D)	-	-	-	156,049	-	953,575	997,361
Amount available in debt service fund	-	-	-	-	28,000	28,000	30,000
Total assets	<u>19,000</u>	<u>43,327</u>	<u>212,051</u>	<u>156,049</u>	<u>28,000</u>	<u>1,354,924</u>	<u>1,160,703</u>
LIABILITIES AND FUND EQUITY							
Liabilities:							
Accounts payable	1,007	-	-	-	-	10,365	9,108
Other accrued expenses	1,994	-	-	-	-	5,546	4,683
Payable from restricted assets:							
Revenue bonds (Note E)	-	-	-	-	-	74,000	78,000
Customer deposits	-	-	-	-	-	17,660	16,520
Note payable	7,759	-	-	-	-	7,759	11,018
Bonds payable (Note E)	-	-	-	-	28,000	28,000	30,000
Total liabilities	<u>10,760</u>	-	-	-	<u>28,000</u>	<u>143,330</u>	<u>149,329</u>
Fund equity:							
Contributed capital	-	-	-	-	-	676,274	676,274
Investment in general fixed assets	-	-	-	156,049	-	156,049	156,049
Retained earnings:							
Reserved	-	-	-	-	-	24,956	22,510
Unreserved	-	-	212,051	-	-	302,748	118,906
Fund balances:							
Reserved for debt service	-	28,000	-	-	-	28,000	30,000
Undesignated	8,240	15,327	-	-	-	23,567	7,635
Total fund equity	<u>8,240</u>	<u>43,327</u>	<u>212,051</u>	<u>156,049</u>	-	<u>1,211,594</u>	<u>1,011,374</u>
Liabilities and fund equity	<u>\$ 19,000</u>	<u>\$ 43,327</u>	<u>\$ 212,051</u>	<u>\$ 156,049</u>	<u>\$ 28,000</u>	<u>\$ 1,354,924</u>	<u>\$ 1,160,703</u>

The accompanying notes are an integral part of this statement.

SWITZER, HOPKINS & MANGE

Certified Public Accountants

DENNIS R. SWITZER, CPA
H. MYLES HOPKINS, CPA
SUSAN L. MANGE, CPA
ROXANNE B. JAMES, CPA

JOHN M. JONES, CPA 1921 - 1983

INDEPENDENT AUDITORS' REPORT

Honorable Wilbert Washington, Mayor
and Members of the Board of Aldermen
Town of Clayton, Louisiana

We have audited the accompanying general purpose financial statements of the Town of Clayton, Louisiana as listed in the table of contents as of June 30, 1996, and for the year then ended. These general purpose financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Clayton, Louisiana as of June 30, 1996 and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued reports dated December 24, 1996 on our consideration of the Town's internal control structure and on its compliance with laws and regulations.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purpose of additional analysis and are not a required part of the general purpose financial statements of the Town of Clayton, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Ferriday, Louisiana
December 24, 1996

Switzer, Hopkins & Mange

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YEAR ENDED JUNE 30, 1995
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TOWN OF CLAYTON, LOUISIANA
GENERAL PURPOSE FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITORS' REPORT
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996
WITH SUPPLEMENTAL INFORMATION SCHEDULES

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date FEB 26 1997

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